



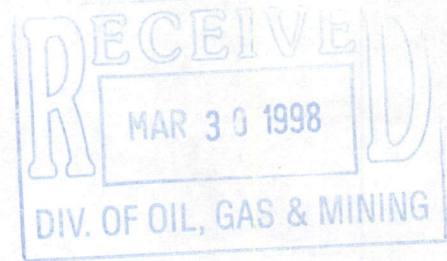
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)



March 26, 1998

Mr. H. Michael Keller
Van Cott, Bagley, Cornwall & McCarthy
Suite 1600
50 South Main Street
Salt Lake City, Utah 84144-0450

Re: Notice of Intent ("NOI") to Commence Small Mining Operations, Fremont
Corporation Metalliferous Minerals Lease ML-43260, DOGM # S/015/076

Dear Mr. Keller:

The School and Institutional Trust Lands Administration (the "Trust Lands Administration") has received the above-referenced Notice of Intent to commence a small mining operation ("NOI"), dated February 19, 1998. The Trust Lands Administration has been in correspondence with the Division of Oil, Gas and Mining ("DOGM") regarding certain deficiencies in the NOI. To complete the records of the Trust Lands Administration, could you please send copies of any correspondence that clarifies the NOI deficiencies as outlined in the letter, dated March 11, 1998, from DOGM to you and copied to T. J. Clark of Fremont Corporation.

Of additional concern to the Trust Lands Administration is the possible overlap of operations, as identified by the Fremont NOI legal description (Exhibit B), with that of Miracle Rock Mining Company, which holds Clay Lease ML-42844, covering lots 2 & 3 of section 2, T. 23 S., R. 6 E. As you know from correspondence with DOGM, The Rockland Corporation and Miracle Rock Mining and Research have raised concerns regarding Fremont's proposed operations.

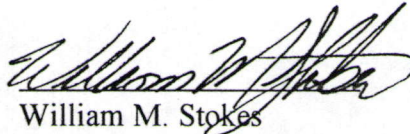
At the April or May meeting of the Trust Lands Administration Board of Trustees (the "Board"), the Trust Lands Administration will request that the Board designate various tracts of land as multiple mineral development areas ("MMDA") pursuant to Utah Admin. R850-20-2500. This designation is necessary to ensure maximum development of all the resources within such areas. Among the lands to be recommended for MMDA designation are lands leased to Fremont under ML-43260. Once this issue has been placed upon the agenda of the Board, the Trust Lands Administration will provide written notice to all mineral lessees holding a mineral lease within an area proposed for MMDA designation, and an opportunity to participate in any Board determination.

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Finally, it should be noted that the filing of the NOI satisfies the annual diligent development requirement as provided for in Article VI of the lease agreement and allows for lease continuance through the twelfth lease year, ending on February 18, 1999. Therefore, once we have reviewed the information set forth above, and the Board has made its determination regarding MMDA designation, we will continue processing Fremont's NOI.

If you have any questions concerning this matter please contact me at the address or phone number shown above.

Sincerely,



William M. Stokes
Minerals Resource Specialist

cc: David T. Terry, Trust Lands Admin.
James D. Cooper, Trust Lands Admin.
Tony Gallegos, DOGM
T.J. Clark, Fremont Corp.